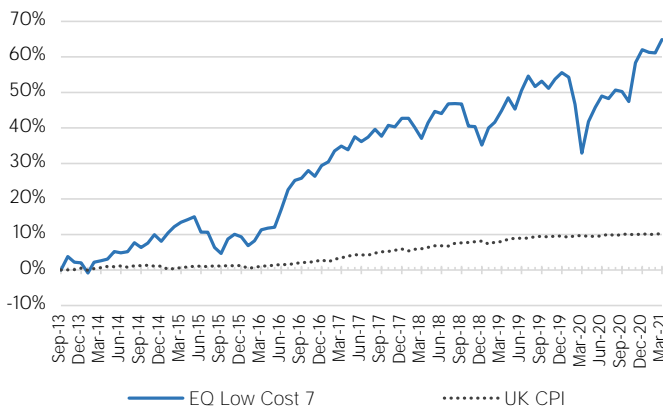




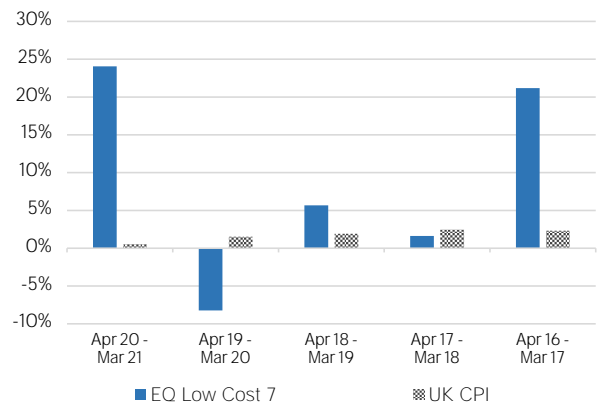
This strategy invests mainly via low cost tracking funds. We will only select an active fund in cases where we have concerns about the passive options.

This portfolio has a range of investments with different risks, where equity holdings are limited to 80%. It aims to reduce investment risk by diversifying across regions and asset classes, and achieve a balance of capital protection and participation in equity market growth. We benchmark this portfolio against the UK Consumer Price Index (UK CPI).

Past performance since inception: 30/09/2013 to 31/03/2021



Discrete performance



Cumulative performance

	3M	6M	1Y	3Y	5Y	Since incep.
EQ Low Cost 7	1.77%	9.75%	24.06%	20.30%	48.12%	64.89%
UK CPI	0.05%	0.15%	0.54%	4.02%	9.05%	10.25%

Discrete performance

	Apr 20 - Mar 21	Apr 19 - Mar 20	Apr 18 - Mar 19	Apr 17 - Mar 18	Apr 16 - Mar 17
EQ Low Cost 7	24.06%	-8.23%	5.66%	1.62%	21.17%
UK CPI	0.54%	1.52%	1.91%	2.46%	2.32%

Volatility

	1Y	3Y	5Y	Since incep.
EQ Low Cost 7	9.84%	10.85%	9.27%	8.60%
UK CPI	0.88%	1.01%	1.02%	1.08%

Underlying fund charges & yield

Ongoing charges	0.11%
12 month indicative yield	1.67%

Portfolio manager



Kasim Zafar, CFA

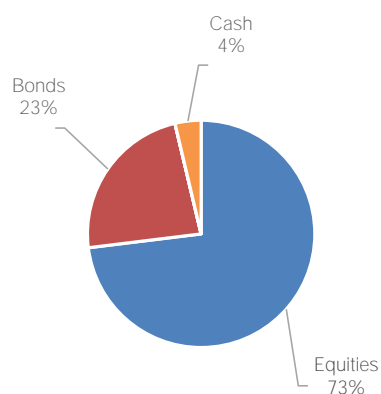
Kasim is EQ's Investment Strategist and also the Investment Manager for the EQ Investors Best Ideas and Low Cost model portfolios. He leads EQ's research in portfolio strategy and supports the investment team's fund research across all asset classes. He began his career in investments in 2002 at a boutique alternative investment specialist, moving into multi-asset investing in 2010. He has gained experience as an investment manager and analyst across global capital markets, building portfolios with varying risk and return objectives. Kasim is a CFA charter holder, being a regular member of the CFA Institute and CFA UK. He graduated with a BSc (Hons) in Physics from Imperial College.

Model performance is shown in sterling, net of underlying fund charges and an EQ management fee of 0.39% (including VAT) per annum, but excludes platform and advice fees. Underlying fund charges may vary depending on platform. All income reinvested; actual returns may vary. UK Consumer Price Index (CPI) is the commonly accepted measure of domestic inflation, following average month on month changes in the prices of goods and services purchased by UK households. Due to significant lag on CPI valuation, the previous month's CPI figure is carried over to the latest month. Data sources: EQ, Morningstar.

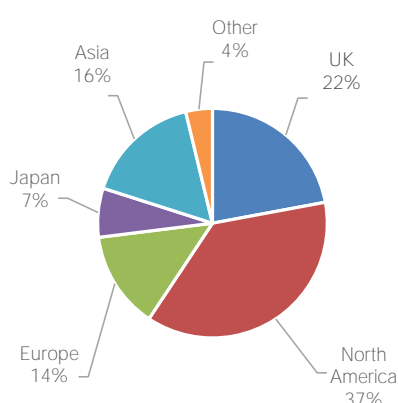
Past performance is not a reliable indicator of future performance. The value of investments and income derived from them can go down as well as up and you may get back less than originally invested.



Asset allocation



Equities breakdown



Asset class outlook

Equities: We share in the optimism that vaccination programmes will lead us out of lockdown and back towards normality. Powerful monetary and fiscal measures should support markets, but we maintain some caution given the risk of long term economic scarring. Markets have come a long way since November but on balance we increase our exposure to growth assets slightly. Within growth assets, we reduce exposure to defensive sectors in favour of more cyclical sectors.

Bonds: While holding ourselves back from a more overtly bullish outlook, we maintain a neutral exposure to the defensive qualities of bonds. Given the corporate bond purchase programmes of various central banks, we are comfortable holding corporate debt alongside government debt. That said, we are growing wary of rising risks to bonds from higher inflation. Hence we prefer inflation linked bonds and those with a shorter time left to maturity as a good store of value.

Cash: We maintain cash levels at neutral.

Equities outlook

North America: Positive sentiment given a new US administration and highly efficacious coronavirus vaccines is compounded by supportive monetary and fiscal policy. Unemployment levels are very high, but survey data suggests companies are intent on hiring. This will take time to work through, with monetary policy likely to remain supportive for a while. Valuations are far from cheap, so we maintain neutral.

UK: Brexit is done and Britain is now free to forge an independent path. But first we need to get our domestic economy back up and running before planning global conquests. The good news is UK companies enjoy a high proportion of foreign earnings and valuations have been depressed, so we tactically upgrade our outlook for the UK. On a longer-term view, we think the sector composition of the UK equity market is less attractive than other regions.

Europe: European equities are more heavily geared towards industrial and manufacturing activity than they are to discretionary consumer spending. So, while European vaccination programmes are ramping up and the economic recovery continues apace in Asia, European equity markets should be ok. There is still some weakness with European consumers, so for now we maintain a neutral view.

Japan: The Japanese market is highly geared to manufacturing activity around the world. Its market is dominated by industrial companies making machinery and technology companies involved in automation. Given lower market valuations relative to other regions, we see merit in being slightly overweight.

Asia: It is likely China will face a coordinated opposition from Western allies. We see China's growth strategy pivoting toward rural development, infrastructure and fostering a stronger domestic consumer economy. This strategy will benefit trade ties to the rest of Asia, which warrants an upgrade to our outlook.

Top holdings

	Asset class	Category	Weighting
Vanguard US Equity Index	Equities	United States	26.7%
Fidelity Index UK	Equities	UK	17.7%
iShares Emerging Markets Equity Index	Equities	Emerging Markets	11.5%
L&G Short Dated Sterling Corporate Bond Index	Bonds	Investment Grade	9.7%
iShares Continental European Equity Index	Equities	Europe	9.5%
L&G Sterling Corporate Bond Index	Bonds	Investment Grade	8.6%
Fidelity Index Japan	Equities	Japan	5.0%
L&G Pacific Index	Equities	Asia	2.7%
Vanguard US Government Bond Index	Bonds	Government	2.5%
Vanguard UK Government Bond Index	Bonds	Government	2.5%

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This model portfolio factsheet is for illustrative purposes only. The performance of portfolios linked to this model may differ from the performance of the model itself, due to the variation in timing of the initial and subsequent investments. Percentages may not add up to 100% as they are rounded to the nearest percent. This model portfolio is not suitable for all investors: investments may only be undertaken based on a recommendation from a financial adviser. While the information in this factsheet is believed to be correct, it cannot be guaranteed. No representation or warranty, expressed or implied, is given as to its accuracy or completeness. The Ongoing Charges relates to the MIFID II Ex-Ante Ongoing Charge of the underlying funds for re-occurring fees during the fiscal year. The charge includes adviser, administration, custodian, legal and any other fees that will typically not vary from year to year. It will not include any one-off charges (e.g. Entry, Exit or switching charges), Incidental Costs (e.g. performance fees) or Transaction Costs (the costs of buying or selling assets for the fund). The Ongoing Cost is a forward looking estimate, based on the last financial year's information and may vary from year to year. For newly launched funds, which do not have the previous year's information to calculate the Ongoing Cost, the figure is estimated. The Ongoing Cost used for this portfolio is based on the share classes available on the Novia platform, charges may vary across platforms based on share classes available. EQ Investors Limited ("EQ"), its partners and employees accept no liability for the consequences of you or your advisers acting upon the information contained herein. This factsheet constitutes neither investment advice, nor an offer to sell, nor is it a solicitation of an offer to purchase any security or any other investment or product. This factsheet may not be reproduced or distributed in any format without EQ's prior written consent.

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